

can be direct borrowers of JBIC loan with Government of India guarantee. All Government guarantees in respect of external borrowing by Central PSUs would be subject to a guarantee fee of 1.2% per annum on the outstanding amount of principal plus interest, unless specifically waived or a concessional guarantee fee is prescribed. The guarantee fee is levied on the date of guarantee and thereafter on 1st April each year. The State PSUs are not allowed to borrow directly from external development partners including JBIC.

Suicide by the farmers

†*107. DR. PRABHA THAKUR: Will the Minister of FINANCE be pleased to state:

(a) whether the main reason of committing suicide by the farmers in the country is the incapacity of repaying the debts;

(b) whether Government propose to write off the interest on loans taken by the affected farmers from banks in case of failure of crops due to famine or any other reasons in the particular area in order to save needy and indebted farmers from misery and also from committing suicide; and

(c) if so, the details thereof and if not, the reasons therefor?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Inability of farmers to repay the debt is one of the many reasons for farmers committing suicide in the country. The other reasons are excessive borrowing from non-formal sources, social tension, continuous drought affecting farm yield and their income, emerging changes in social milieu and alienation of the individuals from family and society.

(b) and (c) Yes, Sir. In 31 debt stressed districts in the four States of Maharashtra (06), Andhra Pradesh (16), Karnataka (06) and Kerala (03) the relief package announced for farmers provides that the entire interest on overdue loans as on 01.07.2006 will be waived such that all farmers will have no past interest burden as on that date. This will immediately make them eligible for fresh loan from the banking system. Further, the overdue loans of the farmers as on 01.07.2006 will be rescheduled over a period of 3-5 years with a one year moratorium.

†Original notice of the question was received in Hindi.